

CIA 3902

23 MAR 1966

**MEMORANDUM FOR:** Robert B. Wright  
Director, Mutual Defense Control Staff  
Department of State  
Washington, D. C.

**SUBJECT** : US Position in COCOM List Items 1520, 1523, 1525

**REFERENCE** : Memorandum from Mr. Wright to Mr. Morell of  
26 March 1966

1. I have reviewed the proposals outlined in your memorandum and find them to be generally consistent with the interests of the Central Intelligence Agency.


2. As you are aware, the crucial national security interests related to equipment covered by COCOM Items 1520, 1523, and 1525 are relevant primarily to shipments destined for the Communist Far East. Under these circumstances the CIA would pose no objection to an automatic exception clause for "telephone equipment of 60 channels or less for destinations other than the Far East and the Soviet Union" provided that there is a satisfactory determination of civil end-use. The intelligence assessment concerning the impact of this equipment on the strategic posture of Eastern Europe has already been made available to EDAC. With this in mind, while there is little technological difference between equipment having 60 or 120 channel capacities, it is suggested that a 60-channel cut off be sought as the preferred US position and the 120-channel cut off be a fall-back position.

3. With respect to your proposal on coaxial cable we would prefer that it not be transferred to List IV. If the transfer is proposed we would want, insofar as shipments to the Communist Far East are concerned, the US position to be so stated that the authority of any member country to put the item back on List I can be exercised without regard to the administrative exception quotas presently stated in Item 1525.

4. On balance the preferred US position should be along the lines suggested in the draft cable attached to your memorandum to me of 26

March. In this case the item would be retained in List I amended to allow automatic exceptions to Eastern Europe and the Soviet Union. A restriction should be devised which would prevent Communist China from acquiring any coaxial cable as permitted under existing administrative exception quotas even if this meant, as a negotiating tactic, raising the quota for the USSR and Eastern Europe above present levels.

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WILLIAM H. MORELL, JR.  
Director  
Research and Reports

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OPR/D/T  (28 Mar 66)

cc: Mr. Alexander B. Trowbridge  
Assistant Secretary  
Office of Domestic and International Business  
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Mr. Arthur W. Barber  
Deputy Assistant Secretary of Defense (Arms Control)  
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Copy sent to Mr. Schroeder, DOD, ext. 74145, by LDX 29 Mar 66.